



STATE BOARD OF EQUALIZATION

450 N STREET, SACRAMENTO, CALIFORNIA
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State Controller

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Acting Member
Second District, Sacramento

RAMON J. HIRSIG
Executive Director

STATE BOARD OF EQUALIZATION MEETING
450 N Street, Room 121, Sacramento
September 14-15, 2010
NOTICE AND AGENDA
Meeting Agenda (as of 5:00 p.m., 09/03/10)

Agenda Changes

[Webcast on Tuesday, September 14, 2010](#)

Tuesday, September 14, 2010

Board Committee Meetings*

These items are scheduled for Wednesday, September 15, 2010.

10:00 a.m. Board Meeting Convenes**

Agenda items occur in the order in which they appear on the agenda. When circumstances warrant, the Board's Chair may modify the order of the items on the agenda. Items may be postponed to a subsequent day; however, items will not be moved to an earlier day.

Board Meeting**

Special Presentations Ms. Yee

- Presentation of Retirement Resolutions
 - Randie L. Henry
 - Ramon J. Hirsig

A. Homeowner and Renter Property Tax Assistance Hearings
There are no items for this matter.

B. Corporate Franchise and Personal Income Tax Hearings
(Contribution Disclosure forms required pursuant to Gov. Code § 15626.)

- B1. [James N. Smith, 510914 +](#)
- | | |
|--------------------------|---------------------------------|
| For Appellant: | James N. Smith, Taxpayer |
| | Charles E. Smith, Jr., Attorney |
| For Franchise Tax Board: | Jane Perez, Tax Counsel |
| | Suzanne Small, Tax Counsel |

- B2. **Douglas Gail Hufnagel and Robyn Hufnagel, 510017 +**
 For Appellant: Douglas Hufnagel, Taxpayer
 Dale Hoppes, Representative
 For Franchise Tax Board: Suzanne Small, Tax Counsel
 Marguerite Mosnier, Tax Counsel
- B3. **Sophia A. Dority, 506726 +**
 For Appellant: Sophia A. Dority, Taxpayer
 For Franchise Tax Board: Diane Ewing, Tax Counsel
 Kathleen Cooke, Tax Counsel
- B4. **Teresa Benjamin, 487973 +**
 For Appellant: Jeff Johnston, Representative
 For Franchise Tax Board: Marguerite Mosnier, Tax Counsel
 Suzanne Small, Tax Counsel

C. Sales and Use Tax Appeals Hearings

These items are scheduled for the afternoon session and for Wednesday, September 15, 2010.

D. Special Taxes Appeals Hearings

These items are scheduled for Wednesday, September 15, 2010.

There are no items for the following matters:

- E. Property Tax Appeals Hearing
- F. Public Hearings

G. Tax Program Nonappearance Matters – Consent

(Contribution Disclosure forms not required pursuant to Gov. Code § 15626.)

- G1. Legal Appeals Matters Ms. Kim
- Hearing Notices Sent – No Response
 1. Sermed Hanna, 458269 (KH)
 2. J. J. Re-Bar Corporation, 439385 (KH)
 - Hearing Notices Sent – Appearance Waived
 3. Greg Childress, Inc., 415437 (UT)
 4. Paramount Disc Manufacturing, Inc., 492202 (EA)
 - Petitions for Release of Seized Property
 5. Khaled W. Zakher, 532992 (ET)
 6. Chi Linh Do, 530886 (ET)
- G2. Franchise and Income Tax Matters Ms. Kelly
- Hearing Notice Sent – No Response
 1. Lynn Figone (Gallagher), 479637
 - Decisions
 2. Christopher Barker, 461542
 3. James Bertuzzi and Kristine Bertuzzi, 459767

4. Ronald A. Brown, 493197
 5. Bradley S. Doland, 507702
 6. Katherine J. Dunn, 496110
 7. Alma Leticia Garcia, 504669
 8. Beth-Ann Kozlovich and Jeff Kozlovich, 419987
 9. Dean R. Lewinson and Mary K. Quinn Lewinson, 489727
 10. Martha S. Milicich, 422550
 11. Yina Nunez, 473874
 12. Ravindranath Patel, MD and Naina Patel, 467727
 13. Jonathan B. Ryder, 476244
 14. Leonard Shlain (Deceased) and Ina Gyemant, 485102
 15. Lonalee Virgo, 506900
 - Petitions for Rehearing
 16. Daniel L. Mahnke, 473875
 17. Frank Martin, 489367
 18. Darrell L. Rich, 462017
 19. Clovus M. Sykes, 492696, 492702
- G3. Homeowner and Renter Property Tax Assistance MattersMs. Kelly
- Decisions
 1. Yolanda Biggs, 425550
 2. Astrid Hilo, 449844
 3. Denna Hornesby, 472836
 4. David P. Jason II, 423016
 5. Vu C. Luong, 445403
 6. Elfriede Maitland, 485635
 7. Ranasee Maldonado, 443875
 8. Judith A. Manko, 444489
 9. Gilma Martinez, 445538
 10. Linda Mondragon, 484950
 11. Gregory W. Petersen, 426152
 12. Earnest Robinson III, 440641
 13. Eduardo Rodriguez, 426186
 14. Denise A. Sherwood, 436035
 15. Kimberly A. Van Vorst, 450024
 16. Betty J. Wilson, 404993
- G4. Sales and Use Taxes Matters.....Ms. Henry
- Redeterminations
 1. Horiba/Stec Incorporated, 520562 (GH)
 2. Roberto Jourdain, 439351 (FH)
 3. Explorer, LLC, 400371 (FH)
 4. Tellabs North America, Inc., 493859 (OH)
 5. Caplugs, LLC, 265927 (OH)
 - Relief of Penalty/Interest
 6. Home Depot U.S.A., Inc., 534309 (OH)
 7. Tesoro West Coast Company, LLC, 534321 (OH)
 8. Enterprise Rent-A-Car Co. of SF, 534315 (CH)

- Denials of Claims for Refund
 9. Sharp Electronics Corp., 467812 (OH)
 10. Flextronics Int'l USA, Inc., 504754 (GH)
- Denials of Relief of Penalty/Interest
 11. Easy Life Furniture, Inc., 535398 (EA)

G5. Sales and Use Taxes Matters – Credits, Cancellations, and Refunds Ms. Henry

- Refunds
 1. Genuine Parts Company, 476502 (OH)
 2. City of Long Beach, 487853 (EA)
 3. Target Corporation, 465794 (OH)
 4. UnionBancal Corporation, 430137 (BH)
 5. Autobahn, Inc., 468839 (BH)
 6. Professional Hospital Supply, Inc., 524606 (EH)
 7. Varian Medical Systems, Inc., 531503 (GH)
 8. Hunt & Sons, Inc., 493628 (KH)
 9. The Golden 1 Credit Union, 519478 (KH)
 10. Idearc Media Services-West, Inc., 535820 (OH)
 11. Louis Vuitton North America, Inc., 445179 (OH)
 12. Juniper Networks (US), Inc., 511342 (GH)
 13. General Petroleum Corporation, 483510 (AA)
 14. Nestle Waters North America, Inc., 459609 (OH)
 15. Flextronics Int'l USA, Inc., 504754 (GH)
 16. Coasthills Federal Credit Union, 478187 (GH)
 17. Balboa Thrift & Loan Association, 520168 (FH)
 18. Top Auto Finance, Inc., 437892 (AC)
 19. Premier America Credit Union, 520568 (AC)
 20. Santander Consumer USA, Inc., 462799 (OH)
 21. Jungheinrich Lift Truck, 476665 (OH)

G6. Special Taxes Matters
There are no items for this matter.

G7. Special Taxes Matters – Credits, Cancellations, and Refunds Mr. Gau

- Refunds
 1. Thrifty Payless, Inc., 491285 (ET)
 2. Fidelity National Prop & Cas Ins, 535155 (ET) 'CF'

There are no items for the following matters:

- G8. Property Tax Matters
- G9. Cigarette License Fee Matters
- G10. Legal Appeals Property Tax Matters

H. Tax Program Nonappearance Matters – Adjudicatory

(Contribution Disclosure forms required pursuant to Gov. Code § 15626.)

- H1. Legal Appeals Matters Ms. Chiu
 - Petitions for Release of Seized Property
 - 1. [Kil Hwan Chang and Myong Jo Chang, 474045 \(ET\) +](#)
- H2. Franchise and Income Tax Matters Ms. Kelly
 - Decisions
 - 1. Harvinder Singh Pahal and Satvinder Kaur, 487053
 - Cases Heard Not Decided
 - 2. Noel Yi and Meiling Yi, 479854

There are no items for the following matters:

- H3. Homeowner and Renter Property Tax Assistance Matters
- H4. Sales and Use Taxes Matters

- H5. Sales and Use Taxes Matters – Credits, Cancellations, and Refunds Ms. Henry
 - Credits and Cancellations
 - 1. Cipriano Espino Salazar, 536110 (AC)

There are no items for the following matters:

- H6. Special Taxes Matters
- H7. Special Taxes Matters – Credits, Cancellations, and Refunds
- H8. Property Tax Matters
- H9. Cigarette License Fee Matters
- H10. Legal Appeals Property Tax Matters

- I. Tax Program Nonappearance Matters
 - There are no items for this matter.

Chief Counsel Matters

There are no items for the following matters:

- J. Rulemaking
- K. Business Taxes
- L. Property Taxes
- M. Other Chief Counsel Matters

Administrative Session

The following items are scheduled for Wednesday, September 15, 2010.

- N. Consent Agenda
- O. Adoption of Board Committee Reports and Approval of Committee Actions
- P. Other Administrative Matters

Q. Closed Session

These items are scheduled for Wednesday, September 15, 2010.

1:30 p.m. Board Meeting Reconvenes****C. Sales and Use Tax Appeals Hearings**

(Contribution Disclosure forms required pursuant to Gov. Code § 15626.)

C1. [Janice Groshak Lami, 476370 \(BH\) +](#)

For Claimant: Janice Groshak Lami, Taxpayer
Christopher Ong, Representative
For Department: Cary Huxsoll, Tax Counsel

C2a. [The Auto Store of Merced, Inc., 476975, 478614 \(KH\) +](#)**C2b. [Sana Sadeddin, 476973 \(KH\) +](#)**

For Petitioner: Abdel M. Jawad, Taxpayer
Peter Holtz, Representative
Cynthia Rasho, Witness
For Department: Scott Lambert, Hearing Representative

C3. [Faramarz S. Razi and Sidig Hamidi, 475347 \(CH\) +](#)

For Petitioner: Faramarz S. Razi, Taxpayer
Richard A. Stoll, Attorney
For Department: Scott Lambert, Hearing Representative

C4. [Ristoranti Piemontesi, Inc., 488832 \(BH\) +](#)

For Petitioner: Daniel H. Scherotter, Taxpayer
Eric Potasher, Representative
For Department: Chris Schutz, Tax Counsel

C5. [Pedotti Livestock, 484288 \(UT\) +](#)

For Petitioner: Robert Pedotti, Taxpayer
For Department: Scott Claremon, Tax Counsel

C6. [Mary Buntz Steel, 450134 \(UT\) +](#)

For Petitioner: Mary B. Steel, Taxpayer
For Department: Andrew Kwee, Tax Counsel

C7. [Community Flavor, LLC, 469262, 483974 \(CH\) +](#)

For Petitioner: Erik Miller, Taxpayer
For Department: Chris Schutz, Tax Counsel

C8. [Fernando Olvera Barragan and Claudia Olvera, 436181 \(JH\) +](#)

For Petitioner: Claudia Olvera, Taxpayer
Fernando Olvera, Taxpayer
For Department: Scott Lambert, Hearing Representative

Adjourn - The meeting will reconvene on Wednesday, September 15, 2010, at 9:30 a.m.

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The hearing location is accessible to people with disabilities. Please contact Joann Richmond at (916) 322-1931, or e-mail Joann.Richmond@boe.ca.gov if you require special assistance.

Diane G. Olson, Chief
Board Proceedings Division

- * Public comment on any committee agenda item will be accepted at the beginning of the committee meeting.
- ** Public comment on any agenda item, other than a Closed Session item or an item which has already been considered by a Board Committee, will be accepted at that meeting.
- *** Municipalities are exempt from Contribution Disclosure requirements, for further information please telephone Toya Davis, Contribution Disclosure Analyst at (916) 327-1798 or email: Toya.Davis@boe.ca.gov.
- + Material is available for this Item.
- ++ Material will be available at a later date.
- 'CF' Constitutional Function – The Deputy State Controller may not participate in this matter under Government Code section 7.9.



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Agenda Changes

[Webcast on Wednesday, September 15, 2010](#)

Wednesday, September 15, 2010

9:30 a.m. Board Committee Meeting Convenes*

Board Meeting Reconvenes upon Adjournment of the Board Committee Meeting**

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Board Committee Meetings*

[Business Taxes Committee](#).....Ms. Yee, Committee Chairwoman

1. Proposed changes to Regulation 1506, *Miscellaneous Service Enterprises*
Request approval and authorization to publish proposed amendments to clarify the application of tax to sales of meals at camps.
2. Suggested revisions to Regulation 1807, *Petitions for Reallocation of Local Tax*.

[Property Tax Committee](#)Ms. Steel, Committee Chair

1. Adoption of Assessors' Handbook Section 401, *Change in Ownership*
Adoption of assessors' handbook to provide guidance on when a change in ownership takes place for property tax purposes.

[Customer Service and Administrative](#)

[Efficiency Committee](#).....Ms. Alby, Committee Chair

1. Transparency at the Board of Equalization – Summary Report
Update on Board of Equalization's ongoing activities to become more transparent to taxpayers and the public.

Board Meeting****B. Corporate Franchise and Personal Income Tax Hearing**

(Contribution Disclosure forms required pursuant to Gov. Code § 15626.)

B5. Thomas Litawa, 522390 +

For Appellant: Thomas Litawa, Taxpayer
For Franchise Tax Board: Amanda Vassigh, Tax Counsel
Diane Ewing, Tax Counsel

C. Sales and Use Tax Appeals Hearings**Local Tax Reallocation Hearing**(Contribution Disclosure forms not required pursuant to Gov. Code § 15626.***)**C9. Cities of Los Angeles, Roseville, San Diego and Santa Clara, 422182 +**

For Petitioner: Janis Varney, Representative
Eric Myers, Representative

For Affected Jurisdictions: Robin Sturdivant, Representative
City of Huntington Beach

For Taxpayer: Warren Barnes, Taxpayer
Applied Computer Solutions

For Department: Carole Ruwart, Tax Counsel

Sales and Use Tax Appeals Hearings

(Contribution Disclosure forms required pursuant to Gov. Code § 15626.)

C10. Jaswant S. Sra, 437185 (UT) +

For Petitioner: Jaswant S. Sra, Taxpayer
For Department: Cary Huxsoll, Tax Counsel

C11. Gladys Lillian Martines, 461496 (KH) +

For Petitioner: Gladys Martines, Taxpayer
Douglas Broomell, Attorney
For Department: Andrew Kwee, Tax Counsel

1:30 p.m. Board Meeting Reconvenes****D. Special Taxes Appeals Hearings**

(Contribution Disclosure forms required pursuant to Gov. Code § 15626.)

D1. Enrique Ayala Rodriguez, 530984 (ET) +

For Petitioner: Mitchell L. Abdallah, Attorney
For Department: Stephen Smith, Tax Counsel

D2. Ismail Ahmad Karajah, 534141 (ET) +

For Petitioner: Ismail Karajah, Taxpayer
For Department: Pamela Mash, Tax Counsel

Administrative Session

N. Consent Agenda Ms. Olson (Contribution Disclosure forms not required pursuant to Gov. Code § 15626.)

N1. Retirement Resolutions +

- Michael S. Kopp (deceased)
- Randie L. Henry
- Roberta F. Hinchman
- Ramon J. Hirsig
- Daniel Sakai

N2. Approval of Board Meeting Minutes ++

- June 15-18, 2010

N3. Approval of 2011 Diesel Fuel Tax Rate for Interstate Users +

Staff recommendation for setting the 2011 calendar year Diesel Fuel Tax Rate for Interstate Users.

N4. Approval of 2011 Hazardous Substances Program Fees and Occupational Lead Poisoning Prevention Fee +

Staff recommendation for setting the Hazardous Substances Program Fees and the Occupational Lead Poisoning Prevention Fee for the 2011 calendar year.

N5. Approval of 2011 Emergency Telephone Users Surcharge Rate +

Staff recommendation for setting the Emergency Telephone Users Surcharge rate for the 2011 calendar year.

N6. Prepayment Rate for Sales Tax on Motor Vehicle Fuel, Diesel Fuel and Jet Fuel +

Section 6480.1 of the Revenue and Taxation Code requires the Board to determine annually by November 1, the rate at which sales tax on motor vehicle fuel, diesel fuel, and jet fuel is to be collected.

N7. Summons to Annual Meeting of the Board and County Assessors +

Request approval of summons of county assessors to meet with the Board to discuss issues relating to property assessment administration.

N8. Adoption of Property Tax Forms +

- BOE-261-G 2011 Claim for Disabled Veterans' Property Tax Exemption

Revised to increase amount of time a claimant has to file a claim from 30 days to 90 days; deletes requirement that the disabled veteran has a "pending" application with the U.S. Department of Veterans' Affairs.

- BOE-261-GNT 2011 Disabled Veterans' Exemption Change of Eligibility Report

Revised to increase amount of time a claimant has to file a claim from 30 days to 90 days; deletes requirement that the disabled veteran has a "pending" application with the U.S. Department of Veterans' Affairs.

O. Adoption of Board Committee Reports and Approval of Committee Actions

- O1. Business Taxes Committee
- O2. Property Tax Committee
- O3. Customer Service and Administrative Efficiency Committee

P. Other Administrative Matters

There are no items for the following matters:

- P1. Executive Director's Report
- P2. Chief Counsel Report
- P3. Sales and Use Tax Deputy Director's Report
- P4. Property and Special Taxes Deputy Director's Report..... Mr. Gau
 - 1. [Confidentiality of Information Provided on Possessory Interests Annual Usage Report +](#)
Commencement of interested parties process regarding confidentiality of Form BOE-502-P, *Possessory Interests Annual Usage Report*.
- P5. [Administration Deputy Director's Report +](#) Ms. Houser
 - 1. Facilities Update
These items provide information and may require Board action.
 - a. Headquarters Facilities
Update on the Headquarters remediation project.
 - b. Headquarters Annex
Update on the Headquarters annex locations.
 - 2. 2010/11 and 2011/12 Budget Update, Furlough Plan and Layoffs
These items provide information and may require Board action or direction.
 - a. Information regarding the Governor's 2010/11 Budget, Governor's Executive Order and State Employee Furloughs.
 - 3. 2011/12 DRAFT Budget Change Proposals (BCP's)
An update on the status of the BCP's.
- P6. Technology Deputy Director's Report
There are no items for this matter.

Announcement of Closed Session Ms. Olson

Q. Closed Session

- Q1. Discussion and approval of staff recommendations regarding settlement cases (Rev. & Tax. Code §§ 6901, 7093.5, 30459.1 and 50156.11)
- Q2. Discussion of Master Settlement Agreement Tobacco Litigation (Gov. Code, §11126(e).)
- Q3. Pending litigation: Governor Arnold Schwarzenegger, et al. v. State Controller John Chiang, et al., Sacramento County Superior Court, Case No. 34-2009-80000158 (Gov. Code § 11126(e))
- Q4. Pending litigation: Schroeder, et al. v. State Board of Equalization, et al. Sacramento Superior Court Case No. 34-2008-00004467-CU-MT-GDS; Frankot, et al. v. State Board of Equalization, et al., Sacramento Superior Court Case No. 34-2008-00012174-CU-PO-GDS; and, Allen, et al. v. State Board of Equalization, et al., Sacramento Superior Court, Case No. 34-2008-00017014-CU-TT-GDS (Gov. Code § 11126(e)(2)(B)(i))
- Q5. Discussion and action on personnel matters (Gov. Code § 11126(a))

Announcement of Open Session..... Ms. Olson

Adjourn

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